

**MINUTES OF THE  
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE**

Room 210 East Senate Building, State Capitol Complex

January 30, 2015

**Members Present:** Sen. Stephen H. Urquhart, Co-Chair  
Rep. Jon E. Stanard, House Vice Chair  
Sen. Jim Dabakis  
Sen. Ann Millner  
Sen. Aaron Osmond  
Sen. Howard A. Stephenson  
Sen. Jerry W. Stevenson  
Sen. Evan J. Vickers  
Rep. Kim Coleman  
Rep. Fred C. Cox  
Rep. Jon Cox  
Rep. Jack R. Draxler  
Rep. Don L. Ipson  
Rep. Daniel McCay  
Rep. Kay L. McIff  
Rep. Carol Spackman Moss  
Rep. Mark A. Wheatley

**Members Excused:** Rep. Keith Grover, Co-Chair

**Staff Present:** Mr. Spencer Pratt, Fiscal Manager  
Ms. Angela Oh, Economist/Statistician  
Ms. Lorna Wells, Secretary

**Note:** A copy of related materials and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Call to Order**

House Vice-Chair Stanard called the meeting to order at 8:15 a.m.

**2. USHE Base Budget Presentations:**

Commissioner David Buhler was joined by Spencer Jenkins, Assistant Commissioner for Public Affairs. Comm. Buhler gave an overview of the USHE system. He reported that 32,491 degrees and certificates were awarded in 2013-14; and that in Fall 2014 there were 167,317 students and 21,152 new freshman. He said that 126 new programs were developed directly from industry input and 34 programs were discontinued. He mentioned the growth in on-line courses and programs. <http://le.utah.gov/interim/2015/pdf/00000641.pdf>

Comm. Buhler stated that Utah's in-state tuition and fees are the third lowest in the country. He reported that Utah has the third lowest student debt as a percentage of cost of living. He said that Utah is second in the nation for the number of degrees granted per \$100,000 spent. It is estimated that for FY 2015 tax funds will cover 51% of the total FTE funding cost and tuition will cover 49 percent. He showed how this compared to national averages. Co-Chair Urquhart stated that these findings prove that there are many efficiencies in the system.

Comm. Buhler reported on the tremendous impact of the acute equity funding appropriated last year. He discussed the historical and projected enrollments. He presented follow-up information regarding tuition waivers. He reported that about \$20 million in privately funded scholarships is awarded to students.

Comm. Buhler reported that the longitudinal data system from the Utah Data Alliance has allowed his office to post information about institutional degrees and average wages earned using Utah wage records. <http://higheredutah.org/reports/utah-wage-information/>

Vice-Chair Stanard asked how the information could be made more readily available. Comm. Buhler stated that his office is working on this, they want to make sure the information is accurate as it is rolled out.

Vice-Chair Stanard noted that tuition has increased almost 24 percent per year for the last 15 years at Dixie State University (DSU) and asked Comm. Buhler for an explanation about this specific increase as well as rising educational costs in general.

Comm. Buhler stated that part of the increase is from the dramatic mission changes of DSU going from a two-year college to a four-year university. He said that another factor is that state funding is still lower on a per student basis than in 2008. Comm. Buhler answered that the overall cost of education continues to increase because so much of the budget is personnel costs.

Rep. John Cox mentioned that the Legislature is currently discussing some changes to the State School Board. He asked if the Higher Education structure is an effective structure, or is there redundancy having a Board of Regents with Boards of Trustees at each institution. He asked how it is determined that there is significant enrollment growth to add a new institution.

Comm. Buhler answered that the higher education system is a very successful model of governance. The institutions' boards of trustees work closely with the Board of Regents, the community, and business leaders. He said that in dealing with enrollment increases it has been past practice to have branch campus expansion rather than adding an entire new institution.

Vice-Chair Stanard noted that some neighboring states have created additional community colleges. Comm. Buhler said that there is potential for this at some future time.

Co-Chair Urquhart stated that it is important to ensure that enrollment growth is good growth. Rather than just trying to enroll more students, the focus should shift to completion rates,

graduating students, and making sure students who are enrolling have a good chance of succeeding. He has asked all institutions to give data on students who are admitted and if there is a way to determine projected completion based on GPA or index score. He asked if something should be done to direct students to other programs who, based on these metrics, are not likely to succeed. He said that it is important for higher education to work with public education in determining what is expected. It is known that the students who are the most prepared have the greatest chance for success. However, once they enter the USHE system, higher education is then responsible. Perhaps open admission should be discussed.

Comm. Buhler reported that the Board of Regents sent out a notice to 80,000 students recommending that they take four years of math. They are constantly working to improve the success of these students.

Vice-Chair Stanard noted that SUU has had some great success increasing completion rates and asked if USHE was working together to share strategies that are working.

Sen. Dabakis commented that USHE is doing a great job. He expressed concern that the level of state support has been decreasing precipitously, but the effect of the cuts was lessened by the dramatic increase in tuition. He asked if it is possible to get back to the previous percentages of state support, and the importance of keeping tuition rates low.

Comm. Buhler agreed and stated that the biggest factor on tuition rates is the level of state support. If the requested funding is appropriated, the projected tuition increase would be 2.5 percent, which is the lowest it has been since 1996.

Sen. Stephenson agreed with Rep. McIff that all education has value and people should not be forced to take specific degrees, but they should be empowered to make an informed decision. He would rather see completion rates by degree rather than institution. He asked if academic counselors help students realize that a certain degree or institution isn't the best choice.

Comm. Buhler stated they are making efforts in making sure students and families have as much information as possible to make decisions. He said that the answer to the other question is somewhat dependent on the institution. Students who fail gateway courses into degrees are counseled not out of that institution, but perhaps into another program at that institution.

Rep. Draxler asked why tuition would have to be increased if all of the requested budget requests were allocated. Comm. Buhler said that there is an agreement with the Legislature that when compensation and health insurance increases are funded, 75 percent of those costs is covered by the state and 25 percent with tuition increases.

**a. Weber State University (WSU) – Charles A. Wight, President** presented the base budget report. <http://le.utah.gov/interim/2015/pdf/00000645.pdf> He said WSU works to provide quality, access and affordability. He discussed some of the national recognitions WSU has received and the fact that WSU is a great return on investment. He reported on the recent

successful accreditation from the Northwest Commission. He stated that 66 percent of students who earned a bachelor's degree in 2013-2014 were employed within three months of obtaining that degree, and last year that amount was 82 percent. He discussed the great partnerships with the OWATC and DATC. He specifically discussed the success of the nursing program.

Pres. Wight reported on the top 10 degree-producing programs. He mentioned recent budget reallocations including degrees that have been eliminated. They completed an analysis with workforce services and calculated that about 67 percent of the bachelor's degrees and 83 percent of master's degrees are awarded are in high-need occupations.

Sen. Stephenson said that is very useful information and would like similar information for the other institutions.

Comm. Buhler answered that this has not been collected system-wide, but each institution does have this information. The Commissioner's office will try to bring comparable data for each institution.

Pres. Wight reported that 75 percent of students who were seeking bachelor's degrees in 2002 have been awarded degrees already. The six-year graduation rate is only slightly above average of peer institutions, but the part-time student population requires them longer than six years to finish. He reported that some of those 2002 students are still at Weber State trying to finish.

Co-Chair Urquhart would like to investigate this data further. He mentioned that the data from Complete College America states that part-time students do not finish.

Pres. Wight said that Weber does not require entrance tests but they have discovered that the first semester GPA is a strong predictor for success or failure. If a student has a first semester GPA of 2.0 or less, there is a very small chance of completing a degree. WSU is focusing on getting counselors to these students early on to get them back on track.

Rep. Fred Cox asked about the interior design program that was dropped. Pres. Wight reported that the B.A. in Interior Design was dropped, but the B.S. option was kept.

Rep. Cox said that a recent town hall meeting individuals said they commuted over an hour to get to WSU because of the great education program and asked if there were many commuters.

Pres. Wight indicated that most of their students are from Davis and Weber counties. He stated that each institution has slightly different teacher education programs. He mentioned part of their success is the new charter school through WSU that acts as a lab for teachers.

Sen. Vickers thanked Pres. Wight for the great presentation. He wanted to know the things that each institution is doing to improve outcomes and to foster greater collaboration among the institutions. He mentioned the importance of incentives.

Pres. Wight answered that the presidents have been working collaboratively to focus on data-driven decisions. They are coming together and sharing what is being done to improve performance. He stated that the proposal for performance-based funding includes incentives.

Sen. Stephenson asked for clarification about the cost savings that are realized when B.A. degrees are eliminated, but B.S. degrees remain in-tact.

Pres. Wight said that eliminating the B.A. means less fragmented schedules and more students taking classes together which improves average class sizes

Sen. Stephenson asked why the philosophy degree is continuing with only six graduates.

Pres. Wight answered that philosophy has large numbers of students who are majoring in other field, and WSU has decided to maintain the discipline. They are taking advantage of other economies by combining philosophy with political science.

Vice-Chair Stanard asked how the \$4 million WSU received in equity funding has been utilized.

Pres. Wight indicated that they had provided a report to USHE about the specific details. He stated that the funds were used to mitigate tuition increases and enhanced the “Dream Weber” program which helps low income students cover the cost of tuition and fees.

**b. Salt Lake Community College (SLCC) – Deneece G. Huftalin, President** reported on the overall demographics of SLCC. <http://le.utah.gov/interim/2015/pdf/00000647.pdf> She discussed SLCC’s mission, discussed the four core themes. They served over 60,000 students last year in nine sites or campuses. She reported that 60 percent of SLCC students transfer to other institutions and over 75 percent of their students work.

Co-Chair Urquhart mentioned because so many students are working, they are based in Salt Lake and are going to stay in the Salt Lake Valley.

Pres. Huftalin answered that they do have partnerships with other institutions to bring their baccalaureate programs to SLCC’s campuses. She discussed the large number of students who are first-generation students. She explained the entire distinctive mission funding was used for the student advising pathways program. She reported on the initiatives that were made possible by the 2014-15 acute equity funding, including hiring 19 full-time faculty in high demand gateway courses. She explained some of their completion initiatives and stackable credentials. They are working hard to utilize open education resources and she explained the tremendous savings to students. They are a leader in the nation for competency-based education.

Pres. Huftalin reported on Co-Chair Urquhart’s concern about predictability for students to complete and how to improve this statistic. She explained a program called “Career Coach” which addresses Sen. Stephenson’s concern about having students make good choices.

Co-Chair Urquhart welcomed Pres. Huftalin as the new president of SLCC and thanked her for her presentation. He praised her for the great work of SLCC and mentioned that whenever he is on SLCC's campuses he can tell how much SLCC cares for its students.

Vice-Chair Stanard thanked Pres. Huftalin for proactively reporting on the use of equity funds. He asked her to continue to report on this over the next few years. He asked how many students are certificate seeking rather than degree seeking.

Pres. Huftalin explained that CTE has both degrees and certificates. She stated that there is about a 60/40 ratio with 60 percent of students are transfer students and about 40 percent are looking at workforce centered training.

Rep. Wheatley praised SLCC for its vision. He asked if equity funding was used to help with the student to advisor ratio. Pres. Huftalin answered that it did help, but the ratio is still extremely high. She stated that they are trying to leverage technology and give faculty tools to help students.

Vice-Chair Stanard asked how many students are seeking long-term degrees instead of just short term intensive training.

Pres. Huftalin explained that they have certificates and degrees that are credit based, but there is another entire area of short-term intensive training and custom fit programs that are non-credit. Last year credit enrollment dipped slightly and non-credit enrollment increased.

Rep. Moss stated that Pres. Huftalin's enthusiasm and energy are infectious. She asked about the huge back log for students going into nursing that occurred in the past, and asked about stackable certificates in this area.

Pres. Huftalin mentioned that many students who start out in nursing do get a certificate in the health care industry. SLCC has significantly improved the bottlenecks in the gateway courses. They have totally revised the nursing admissions program.

Rep. Moss mentioned that the current need for nurses is going down. Pres. Huftalin stated that SLCC's partnerships with the health care has helped to mitigate this volatility.

Rep. John Cox asked if anything has been done beyond just measuring seat time in the academic area towards competency education.

Pres. Huftalin answered that one reason competency-based education hasn't been as successful is that it does not qualify for financial aid. The Department of Education has granted SLCC as an experimental site to allocate financial-aid in some competency-based programs. They hope that can be expanded in the future.

### 3. USHE Performance Measures

Mr. Pratt discussed the Performance Measure Issue Briefs.

**a. Degrees.** Mr. Pratt explained that the first Issue Brief is USHE Degrees. He explained that there are charts for each institution, the whole USHE system and degrees narrowed down by field of study. [.http://le.utah.gov/interim/2015/pdf/00000148.pdf](http://le.utah.gov/interim/2015/pdf/00000148.pdf)

**b. Historical Enrollment.** Mr. Pratt discussed the Historical Enrollment Issue Brief which is listed by institution as well as the USHE system. There is a comparison with Fall Headcount as well as the annualized budget related FTE. He stated that they are now measuring the end of term headcount instead of third-week headcount because it is more accurate.  
<http://le.utah.gov/interim/2015/pdf/00000150.pdf>

**c. Graduation Rates.** Mr. Pratt explained that Graduation Rate Issue Brief shows the historical graduation rates for each institution. This looks at how many graduate within 150 percent of the degree period. <http://le.utah.gov/interim/2015/pdf/00000152.pdf>

### 6. USHE Issue Briefs

**a. Education and General Expenditures by Category.** Mr. Pratt explained this is the biggest single line-item in the budget. <http://le.utah.gov/interim/2015/pdf/00000154.pdf>  
He discussed the components of this line item for each institution..

**b. Direct and Full Instructional Costs per FTE Student.** Mr. Pratt explained the differences between direct and full-instructional costs per FTE student.  
<http://le.utah.gov/interim/2015/pdf/00000156.pdf>

Sen. Stephenson asked for some clarification about these two costs. Mr. Pratt explained that the Issue Brief discussed on Wednesday was the total Education and General Line Item divided by the number of students.

**c. Mission Based Funding.** Mr. Pratt explained that each institution USHE has a unique mission and receives funding based on that mission. This Issue Brief discusses how the \$7 million appropriated last year was utilized. <http://le.utah.gov/interim/2015/pdf/00000158.pdf>

**d. Performance Based Funding.** Mr. Pratt explained that performance indicators were identified and if the criteria for these were met, then the institutions were able to participate in performance-based funding. The institutions had a year to show their improvement. This is now in the second year of this one-time funding. Each institution has determined performance measurements for FY 2016. <http://le.utah.gov/interim/2015/pdf/00000160.pdf>

Vice-Chair Stanard stated that Co-Chair Urquhart has been very focused on how to properly fund results in higher education. He challenged committee members to come up with some creative ideas and be prepared to discuss them at future meetings.

Comm. Buhler asked three of the institutions' presidents to form a working group and develop a proposal for performance-based funding measurements in funding is available. They do recommend that there is still base funding and that the performance based funding would be new funding. <http://le.utah.gov/interim/2015/pdf/00000643.pdf>

Comm. Buhler said that the model is rigorous, real and transparent. It focuses on rewarding excellence, completion and a balanced approach. The model will set standards that institutions will work towards by being in the top third of their Carnegie peers. There would be three system-wide metrics of completion, access and affordability; and presidents could choose one or two institutional metrics.

Vice-Chair Stanard asked how graduates would be determined at SLCC when a student completes a certificate. Comm. Buhler indicated certificates and degrees are both counted.

Sen. Vickers thanked the Commissioner for having the presidents involved. He was concerned that it is not as competitive as he would like.

Comm. Buhler will discuss this with Sen. Vickers further, but mentioned that it is challenging for the presidents to be measured on something they don't control.

Rep. Fred Cox stated that the committee is working on a 98 percent base. He asked how much USHE is requesting for the overall budget.

Comm. Buhler said that the total Board of Regents' request is \$79 million above the base budget of which performance-based funding would be \$5 million.

**MOTION:** Rep. McCay moved to adjourn. The motion passed unanimously.

Vice-Chair Stanard adjourned the meeting at 10:45 a.m.

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Sen. Stephen H. Urquhart, Co-Chair

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Rep. Keith Grover, Co-Chair